

# HOUSE BILL No. 1553

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8.

**Synopsis:** Retired legislator health benefits. Removes the statutory authority of the speaker of the house of representatives and the president pro tempore of the senate to elect to pay any part of the health insurance premium of a former legislator or spouse. Closes to new participants a health insurance plan for former legislators enacted in 2001. Allows a former legislator or a spouse or dependent of a former legislator who is participating in a health insurance plan that is closed to new participants to continue participating in the plan as long as the former legislator, spouse, or dependent remains eligible to participate.

**Effective:** Upon passage.

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**Crouch**

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January 23, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## HOUSE BILL No. 1553

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-10-8-8, AS AMENDED BY P.L.178-2006,  
2       SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 8. (a) This section applies only to the state and  
4       employees who are not covered by a plan established under section 6  
5       of this chapter.

6       (b) After June 30, 1986, the state shall provide a group health  
7       insurance plan to each retired employee:

8           (1) whose retirement date is:

9               (A) after June 29, 1986, for a retired employee who was a  
10              member of the field examiners' retirement fund;

11             (B) after May 31, 1986, for a retired employee who was a  
12              member of the Indiana state teachers' retirement fund; or

13             (C) after June 30, 1986, for a retired employee not covered by  
14              clause (A) or (B);

15           (2) who will have reached fifty-five (55) years of age on or before  
16           the employee's retirement date but who will not be eligible on that  
17           date for Medicare coverage as prescribed by 42 U.S.C. 1395 et

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seq.; and

(3) who:

(A) for an employee who retires before January 1, 2007, will have completed:

(i) twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and

(ii) at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date; or

(B) for an employee who retires after December 31, 2006, will have completed fifteen (15) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement.

(c) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired judge;

(2) whose retirement date is after June 30, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least eight (8) years of service credit as a participant in the Indiana judges' retirement fund, with at least eight (8) years of that service credit completed immediately preceding the judge's retirement.

(d) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired participant under the prosecuting attorneys retirement fund;

(2) whose retirement date is after January 1, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least ten (10) years of service credit as a participant in the prosecuting attorneys retirement fund, with at least ten (10) years of that service credit completed immediately preceding the participant's retirement.

(e) The state shall make available a group health insurance program to each former member of the general assembly or surviving spouse of each former member, if the former member:

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- (1) is no longer a member of the general assembly;
- (2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (3) has at least ten (10) years of service credit as a member in the general assembly.

A former member or surviving spouse of a former member who obtains insurance under this section is responsible for paying both the employer and the employee share of the cost of the coverage.

(f) The group health insurance program required under subsections (b) through (e) and subsection (k) must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer's and the employee's premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee's retirement date files a written request for insurance coverage with the employer. **However, Except as provided in subsection (l),** the employer may elect to pay any part of the retired employee's premium with respect to insurance coverage under this chapter.

(g) Except as provided in subsection (j), a retired employee's eligibility to continue insurance under this section ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under this section may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for

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active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.

(i) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(j) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

(k) The state shall provide a group health insurance program to each retired employee:

(1) who was employed as a teacher in a state institution under:

(A) IC 11-10-5;

(B) IC 12-24-3;

(C) IC 16-33-3;

(D) IC 16-33-4;

(E) IC 20-21-2-1; or

(F) IC 20-22-2-1;

(2) who is at least fifty-five (55) years of age on or before the employee's retirement date;

(3) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(4) who:

(A) has at least fifteen (15) years of service credit as a participant in the retirement fund of which the employee is a member on or before the employee's retirement date; or

(B) completes at least ten (10) years of service credit as a participant in the retirement fund of which the employee is a member immediately before the employee's retirement.

**(l) The speaker of the house of representatives and the president pro tempore of the senate may not elect to pay any part of the premium for insurance coverage under this chapter with respect to a former member of the general assembly or the spouse or**

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**dependent of a former member of the general assembly.**

SECTION 2. IC 5-10-8-8.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section applies only to the state and former legislators.

(b) As used in this section, "legislator" means a member of the general assembly.

(c) After June 30, 1988, the state shall provide to each retired legislator:

(1) whose retirement date is after June 30, 1988;

(2) who is not participating in a group health insurance coverage plan:

(A) including Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; but

(B) not including a group health insurance plan provided by the state or a health insurance plan provided under IC 27-8-10;

(3) who served as a legislator for at least ten (10) years; and

(4) who participated in a group health insurance plan provided by the state on the legislator's retirement date;

a group health insurance program that is equal to that offered active employees.

(d) A retired legislator who qualifies under subsection (c) may participate in the group health insurance program if the retired legislator:

(1) pays an amount equal to the employer's and employee's premium for the group health insurance for an active employee; and

(2) within ninety (90) days after the legislator's retirement date files a written request for insurance coverage with the employer.

(e) Except as provided in section 8(j) of this chapter, a retired legislator's eligibility to continue insurance under this section ends when the member becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or when the employer terminates the health insurance program.

(f) A retired legislator who is eligible for insurance coverage under this section may elect to have the legislator's spouse covered under the health insurance program at the time the legislator retires. If a retired legislator's spouse pays the amount the retired legislator would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired legislator and is not affected by the retired legislator's eligibility for Medicare. Except as provided in section 8(j) of this chapter, the spouse's eligibility ends on the earliest

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of the following:

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

**(3) Two (2) years after the date of the retired legislator's death.**

~~(3)~~ (4) The date of the spouse's remarriage.

(g) **This subsection applies only to a surviving spouse who elects to participate in the group health insurance program before June 1, 2007.** The surviving spouse of a legislator who dies or has died in office may elect to participate in the group health insurance program if all of the following apply:

(1) The deceased legislator would have been eligible to participate in the group health insurance program under this section had the legislator retired on the day of the legislator's death.

(2) The surviving spouse files a written request for insurance coverage with the employer.

(3) The surviving spouse pays an amount equal to the employer's and employee's premium for the group health insurance for an active employee.

(h) **This subsection applies only to a surviving spouse who elects to participate in the group health insurance program before June 1, 2007.** Except as provided in section 8(j) of this chapter, the eligibility of the surviving spouse of a legislator to purchase group health insurance under subsection (g) ends on the earliest of the following:

(1) When the employer terminates the health insurance program.

(2) The date of the spouse's remarriage.

(3) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

SECTION 3. IC 5-10-8-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.2. **(a) This section applies only to:**

**(1) a former member of the general assembly; or**

**(2) the spouse or dependent of a former member of the general assembly;**

**who elects to participate in the group health insurance program before June 1, 2007.**

~~(a)~~ (b) As used in this section, "former legislator" means a former member of the general assembly.

~~(b)~~ (c) As used in this section, "dependent" means an unmarried

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person who:

(1) is:

(A) a dependent child, stepchild, foster child, or adopted child of a former legislator or spouse of a former legislator; or

(B) a child who resides in the home of a former legislator or spouse of a former legislator who has been appointed legal guardian for the child; and

(2) is:

(A) less than twenty-three (23) years of age;

(B) at least twenty-three (23) years of age, incapable of self-sustaining employment by reason of mental or physical disability, and is chiefly dependent on a former legislator or spouse of a former legislator for support and maintenance; or

(C) at least twenty-three (23) years of age and less than twenty-five (25) years of age and is enrolled in and is a full-time student at an accredited college or university.

~~(c)~~ (d) As used in this section, "spouse" means a person who is or was married to a former legislator.

~~(d)~~ (e) After June 30, 2001, the state shall provide to a former legislator:

(1) whose last day of service as a member of the general assembly was after December 31, 2000;

(2) who served in all or part of at least four (4) terms of the general assembly (as defined in IC 2-2.1-1-1);

(3) who pays an amount equal to the employee's and employer's premium for the group health insurance for an active employee; and

(4) who files a written request for insurance coverage with the employer within ninety (90) days after the former legislator's:

(A) last day of service as a member of the general assembly; or

(B) retirement date;

a group health insurance program that is equal to that offered to active employees.

~~(e)~~ (f) Except as provided by section 8(j) of this chapter, the eligibility of a former legislator to continue insurance under this section ends when the former legislator becomes eligible for Medicare coverage as prescribed by ~~42 U.S.C.A.~~ U.S.C. 1395 et seq. or when the employer terminates the health insurance program.

~~(f)~~ (g) A former legislator who is eligible for insurance coverage under this section may elect to have a spouse or dependent of the former legislator covered under the health insurance program. A former

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legislator who makes an election under this subsection must pay the employee's and employer's premium for the group health insurance program for an active employee that is attributable to the inclusion of a spouse or dependent.

~~(g)~~ **(h)** A spouse or dependent may continue insurance under this section after the death of the former legislator if the spouse or dependent pays the amount the former legislator would have been required to pay for coverage selected by the spouse or dependent.

~~(h)~~ **(i)** Except as provided under section 8(j) of this chapter, the eligibility of a spouse to continue insurance under this section ends on the earliest of the following:

- (1) When the employer terminates the health insurance program.
- (2) The date of the legislative spouse's remarriage.
- (3) When the required amount for coverage is not paid with respect to the spouse.
- (4) When the spouse becomes eligible for Medicare coverage as prescribed by 42 ~~U.S.C.A.~~ **U.S.C.** 1395 et seq.

~~(i)~~ **(j)** The eligibility of a dependent to continue insurance under this section ends on the earliest of the following:

- (1) When the employer terminates the health insurance program.
- (2) The date the dependent no longer meets the definition of a dependent.
- (3) When the required amount for coverage is not paid with respect to the dependent.

~~(j)~~ **(k)** The spouse of a deceased former legislator may elect to participate in the group health insurance program under this section if all of the following apply:

- (1) The deceased legislator:
  - (A) died after December 31, 2000, while serving as a member of the general assembly; and
  - (B) served in all or part of at least four (4) terms of the general assembly (as defined in IC 2-2.1-1-1).
- (2) The surviving spouse files a written request for insurance coverage with the employer.
- (3) The surviving spouse pays an amount equal to the employee's and employer's premium for the group health insurance for an active employee, including any amount with respect to covered dependents of the former legislator.

~~(k)~~ **(l)** Except as provided under section 8(j) of this chapter, the eligibility of the surviving spouse under subsection ~~(j)~~ **(k)** ends on the earliest of the following:

- (1) When the employer terminates the health insurance program.

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(2) The date of the spouse's remarriage.

(3) When the required amount for coverage is not paid with respect to the spouse and any covered dependent.

(4) When the surviving spouse becomes eligible for Medicare coverage as prescribed by 42 ~~U.S.C.A.~~ **U.S.C.** 1395 et seq.

SECTION 4. IC 5-10-8-8.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.3. **(a) This section applies only to:**

**(1) a former member of the general assembly; or**

**(2) the spouse or dependent of a former member of the general assembly;**

**who elects to participate in the group health insurance program before June 1, 2007.**

~~(a)~~ **(b)** As used in this section, "department" refers to the state personnel department.

~~(b)~~ **(c)** The department shall establish, or contract for the establishment of, at least two (2) retiree health benefit plans to be available for former employees of:

(1) the state; and

(2) the legislative branch of government;

whose employer elects under section 8(j) of this chapter to permit its former employees to continue to participate in a health insurance program under this chapter after the employees have become eligible for Medicare coverage. At least one (1) of the plans offered to former employees must include coverage for prescription drugs comparable to a Medicare plan that provides prescription drug benefits.

SECTION 5. IC 5-10-8-8.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.4. **(a) This section applies only to:**

**(1) a former member of the general assembly; or**

**(2) the spouse or dependent of a former member of the general assembly;**

**who elects to participate in the group health insurance program before June 1, 2007.**

**(b)** Except as provided by an enactment of the general assembly, an election by an employer under:

(1) section 8(f) of this chapter concerning the payment of a retired employee's premium; or

(2) section 8(j) of this chapter concerning Medicare coverage and program eligibility;

may not be revoked or altered at any time by the employer or a subsequent employer to the detriment of a person entitled to benefits

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1 under section 8.2 of this chapter.

2 SECTION 6. [EFFECTIVE UPON PASSAGE] **IC 5-10-8-8, as**  
3 **amended by this act, applies to a former member of the general**  
4 **assembly who first elects to participate in the group health**  
5 **insurance program under IC 5-10-8 after the effective date of this**  
6 **act.**

7 SECTION 7. [EFFECTIVE UPON PASSAGE] **This act does not**  
8 **prohibit a former member of the general assembly (or the spouse**  
9 **or dependent of a former member of the general assembly) who**  
10 **made an election before the effective date of this act under**  
11 **IC 5-10-8-8, IC 5-10-8-8.1, IC 5-10-8-8.2, IC 5-10-8-8.3, or**  
12 **IC 5-10-8-8.4, all as amended by this act, from participating after**  
13 **the effective date of this act in the group health insurance program**  
14 **under IC 5-10-8-8, IC 5-10-8-8.1, IC 5-10-8-8.2, IC 5-10-8-8.3, or**  
15 **IC 5-10-8-8.4, all as amended by this act, as long as the former**  
16 **member of the general assembly (or the spouse or dependent of a**  
17 **former member of the general assembly) continues to be eligible to**  
18 **participate in the program.**

19 SECTION 8. **An emergency is declared for this act.**

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